


EXHIBIT 361

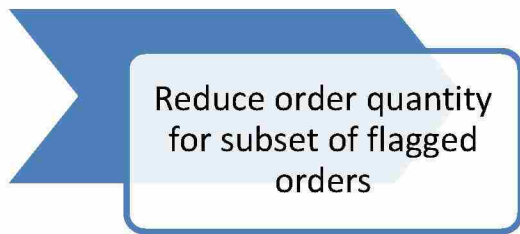
Ongoing Controlled Drug Order Review Logic



Review all Controlled
Drug & PSE orders



Flag select orders as
suspicious



Reduce order quantity
for subset of flagged
orders

Phase	Key Points	Key Points	Key Points
1 8/2009 – 9/2010	Reviews WAG DC orders only	Flags based on by drug by store historical sales patterns over 26 weeks	No order reductions in Phase 1
2 9/2010 – current	Reviews WAG DC orders only	Flags based on by drug by store historical sales patterns over 26 weeks	Reductions begin in Phase 2 – only applies to WAG DC orders
3 Estimated 6/2012 – 7/2012?	Reviews WAG DC orders plus checks to see if vendor order placed with 48 hours for same drug	Flags based on by drug by store historical sales patterns over 52 weeks Decision to move back to 26 Weeks.	Review and refinement of tolerance and frequency thresholds. Confirm action for each possible scenario (using matrix)
4 7/2012?	Reviews WAG DC orders plus applies same logic to Vendor orders making them eligible for flagging and order reduction. Partial Fills also added to logic review	Both WAG DC and Vendor orders flagged if thresholds exceeded	Both WAG DC and Vendor orders reduced if thresholds exceeded

Automated Ceiling Trump Factor

C.
Automated
Ceilings

Calculate Limit

Calculate Ceiling by drug by
store

Apply Ceiling review to
each order:
Execute early warning
system & hard stop

Phase	Key Points	Key Points	Key Points
5 9/2012	<p>Create chain-wide benchmark by Drug</p> <ul style="list-style-type: none"> Compare store daily script volume to specific drug receipts over last 6 weeks Based on chain-wide average relationship, determine Corporate Upper/Lower limit (UL/LL) <p>Calculate Store Limit (SL) – evaluate store/drug sales over 15 weeks. Final limit is SL unless a) SL is less than LL, then use LL; or b) SL is above UL then cap at UL.</p> <p>Timeframe used to calculate UL/LL:</p> <ul style="list-style-type: none"> Rolling 4, 6, 8, 13 weeks? 6 weeks is currently recommended <p>Scripts used to base store group:</p> <ul style="list-style-type: none"> Total scripts (control + non) – currently recommended All Controlled? <p>Overarching Requirements:</p> <ul style="list-style-type: none"> ✓ Program logic must be configurable to allow for easy updates to timeframe, store groups, drugs reviewed, etc. ✓ Data must be output to other application TBD for tactical reports and executive scorecard (likely Ora/Manuela reporting adding on to Step A) 	<p>Timeframe to apply ceiling:</p> <ul style="list-style-type: none"> Rolling 4, 6, 8, 13 weeks? <p>Drugs to have ceiling:</p> <ul style="list-style-type: none"> All Controlled + PSE? Just Controlled? Just C2? Just select Controlled? <p>Metric to include:</p> <ul style="list-style-type: none"> Receipts? <ul style="list-style-type: none"> What about inter-store transfers? Any look at Sales? <p>Early Warning Alert:</p> <ul style="list-style-type: none"> Starts at 75% <p>Recalculation of UL/LL</p> <ul style="list-style-type: none"> Monthly, quarterly? Average chain-wide relationship won't change quickly 	<p>How to apply ceiling:</p> <ul style="list-style-type: none"> Cumulative over rolling x weeks? Weekly ? <p>Considerations:</p> <ul style="list-style-type: none"> How to distribute/moderate impact to patients (both legitimate and those potentially not) How much are we allowing or suppressing business growth for: <ul style="list-style-type: none"> Low volume store group Average store group High volume store group Are you treated the same if your store hits ceiling based on system generated order vs. an order that was already reduced by Step A? How does corporate override ability influence this process? Does overridden order get included in history used to refresh ceiling and store group placement? Should initial pattern be based on timeframe pre-line limit or include line limit period?

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Automated Ceiling – Simulation Results

To provide additional perspective on how the ceilings may work in practice, historical sales data for eight specific items was analyzed.

Drug Name	# of Stores Exceeding Ceiling in April 2012
ALPRAZOLAM TAB 1 MG	36
ALPRAZOLAM TAB 2 MG	53
CARISOPRODOL TAB 350 MG	49
HYDROMORPHONE HCL TAB 2 MG	28
HYDROMORPHONE HCL TAB 4 MG	31
METHADONE HCL TAB 10 MG	44
OXYCODONE HCL TAB 15 MG	43
OXYCODONE HCL TAB 30 MG	65
Total Occurrences	349

Observations

1. Based on these results, 349 ceiling exceptions will be flagged on Day 1 for subsequent review/analysis
2. There were many stores that exceeded ceiling limits for multiple drugs – 256 stores exceed at least 1 ceiling in April 2012.
3. These results used the recommended safety margins (K-values) of SL = 2, LL = 2, UL = 4.5.
4. These results use monthly sales data and are therefore approximations to the production results which will use weekly receipt data



Automated Ceiling – Simulation Results

To evaluate the ceiling violations over time, the table below illustrates the trends for the stores with at least 3 ceiling violations in April, 2012.

Store	Address	Jan 2012	Feb 2012	March 2012	April 2012
3332	3601 Bee Ridge Rd. Sarasota, FL	4	5	6	6
14407	6006 Beach Blvd. Jacksonville, FL	3	4	3	4
7875	1800 Tamiami Trl. Port Charlotte, FL	4	3	4	4
3913	2360 Highway 95 Bullhead City, AZ	1	0	2	4
4327	12028 Majestic Blvd. Hudson, FL	6	6	3	4
3629	10 Union Square, E. New York, NY (on-site)	6	5	6	4
15056	808 N. Porter Ave. Norman, OK (Walgreen Pharmacy)	3	3	3	3
11014	600 Long Beach Blvd. Long Beach, CA	3	3	3	3
11017	900 N. Rancho Dr. Las Vegas, NV	3	4	3	3
13000	6865 W. Tropicana Ave. Las Vegas, NV	2	2	2	3
7870	7600 W. Capitol Dr. Milwaukee, WI	3	3	3	3
6283	6101 W. Lake Mead Blvd. Las Vegas, NV	3	2	4	3
4961	860 East Ave. Chico, CA	2	0	4	3
6227	451 S. Decatur Blvd. Las Vegas, NV	3	2	3	3
4749	4895 Boulder Hwy. Las Vegas, NV	3	3	3	3
6425	4685 E. Grant Rd. Tucson, AZ	1	2	2	3
3845	2280 Las Vegas Blvd., N. North Las Vegas, NV	2	2	2	3
4045	1669 E. Silver Star Rd. Ocoee, FL	1	2	2	3
3873	1765 Fort St. Lincoln Park, MI	2	3	3	3
4537	1A Trolley Sq. Wilmington, DE	3	3	3	3
4106	1120 Pulaski Hwy. Bear, DE	0	1	3	3
4433	1013 Bonforte Blvd. Pueblo, CO	3	3	3	3
3841	1101 Las Vegas Blvd., S. Las Vegas, NV	3	3	3	3

Observations

1. Except for 3629 and 15056, all other stores are regular store type
2. Stores with multiple violations tended to have multiple violations over time – it was not generally a one-time spike that stores exceeded multiple ceilings
3. Of the 256 stores that exceeded a ceiling in April 2012, 229 (86%) had also exceeded a ceiling in prior 3 months



Automated Ceiling – Simulation Results

The ceiling violations observed in April 2012 across state/drug combinations are below. Only states with at least 5 ceiling violations are identified.

# of Stores exceeding ceiling in April 2012	FL	NV	CA	AZ	MI	NY	TN	WI	DE	CO	MD	AL	OK	NJ	TX	IN	CT	PA	OH	WV	Other	Total
ALPRAZOLAM TAB 1 MG	4	0	0	0	3	0	7	0	2	0	0	1	5	0	1	4	0	0	2	0	7	36
ALPRAZOLAM TAB 2 MG	12	9	0	0	4	2	3	4	0	0	0	4	1	0	2	1	0	0	1	0	10	53
CARISOPRODOL TAB 350 MG	2	21	11	2	1	1	1	0	0	0	0	2	2	0	3	0	0	0	0	0	3	49
HYDROMORPHONE HCL TAB 2 MG	2	1	0	0	0	2	0	0	1	7	2	0	0	0	0	0	5	0	1	0	7	28
HYDROMORPHONE HCL TAB 4 MG	13	0	4	1	0	1	0	0	0	2	1	0	0	0	1	0	1	1	0	0	6	31
METHADONE HCL TAB 10 MG	15	0	11	1	5	2	0	1	1	0	0	2	0	0	0	1	0	0	1	0	4	44
OXYCODONE HCL TAB 15 MG	6	1	0	6	0	0	0	6	6	1	7	0	0	0	0	0	0	3	0	3	4	43
OXYCODONE HCL TAB 30 MG	22	9	3	7	1	5	2	1	1	1	0	0	0	8	0	0	0	1	0	2	2	65
Total Ceiling Violations	76	41	29	17	14	13	13	12	11	11	10	9	8	8	7	6	6	5	5	5	43	349

Observations

1. FL is the only state with ceiling violations for each of the eight drugs measured
2. Relative to the chain, NV has a large number of stores selling high volumes of Carisoprodol
3. Although a large volume of stores, IL has only 4 violations in April 2012 and is therefore not shown in the table



Automated Ceiling – Simulation Results

The ceiling violations were also analyzed based upon whether the stores are 24-hour or non-24 hour locations.

Drug Name	% of 24-Hour Stores above ceiling	% of non 24-hour Stores above ceiling	Ratio ¹
ALPRAZOLAM TAB 1 MG	1.8%	0.2%	9X
ALPRAZOLAM TAB 2 MG	2.2%	0.4%	6X
CARISOPRODOL TAB 350 MG	2.6%	0.2%	10X
HYDROMORPHONE HCL TAB 2 MG	1.3%	0.2%	8X
HYDROMORPHONE HCL TAB 4 MG	1.2%	0.2%	5X
METHADONE HCL TAB 10 MG	1.5%	0.4%	4X
OXYCODONE HCL TAB 15 MG	2.2%	0.2%	9X
OXYCODONE HCL TAB 30 MG	2.2%	0.6%	4X
Average Daily Total Script Count	392/day	184/day	2X

Observations

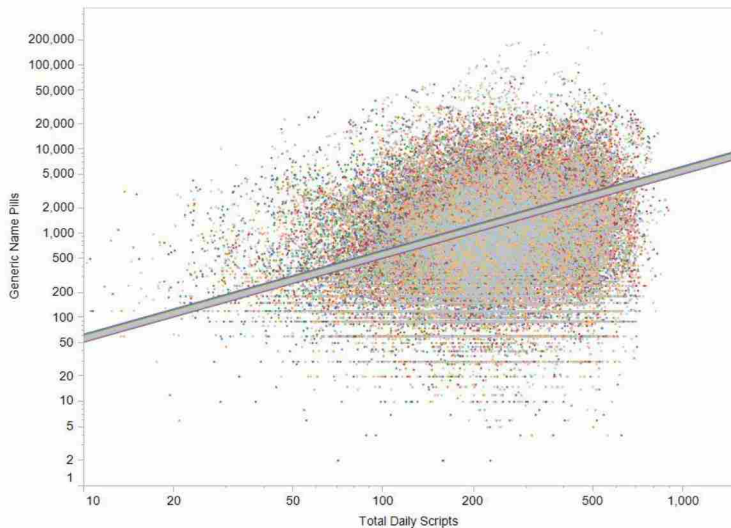
1. On average, 24-hour stores have total Rx counts that are approximately 2X larger than non-24 hour stores → this results in ceilings that are 2X larger
2. Even with larger ceilings, 24-hour stores exceed ceiling limits at a much higher rate than do non-24 hour stores.

¹ Ratio is calculated using unrounded values and so may appear to not match column calculations in all cases

Automated Ceiling – Simulation Results

C.
Automated
Ceilings

How often to recalibrate the chainwide corporate limits has been an open question. The results below provide a perspective.



Total Scripts Divided by 30 vs. sum of Generic Name Pills. Color shows details about Date Month. Details are shown for str_nbr. The data is filtered on Exclusions (state_str_nbr), which specifies a set. The view is filtered on str_nbr, which ranges from 13 to 15358.

Month of Date



Individual trend lines:

Panes		Color	Line		Coefficients				
Row	Column	Month of Date	p-value	DF	Term	Value	StdErr	t-value	p-value
Generic Name Pills	Total Scripts Divided by 30	April 2012	<0.0001	7885	Total Scripts Divided by 30	6.1389	0.127981	47.9672	<0.0001
Generic Name Pills	Total Scripts Divided by 30	March 2012	<0.0001	7876	Total Scripts Divided by 30	6.20143	0.132383	46.8445	<0.0001
Generic Name Pills	Total Scripts Divided by 30	February 2012	<0.0001	7868	Total Scripts Divided by 30	6.2793	0.142569	44.0438	<0.0001
Generic Name Pills	Total Scripts Divided by 30	January 2012	<0.0001	7860	Total Scripts Divided by 30	6.1923	0.147403	42.0094	<0.0001
Generic Name Pills	Total Scripts Divided by 30	December 2011	<0.0001	7849	Total Scripts Divided by 30	5.6909	0.136575	41.6688	<0.0001
Generic Name Pills	Total Scripts Divided by 30	November 2011	<0.0001	7839	Total Scripts Divided by 30	5.77248	0.144863	39.848	<0.0001
Generic Name Pills	Total Scripts Divided by 30	October 2011	<0.0001	7816	Total Scripts Divided by 30	5.20644	0.156754	33.2141	<0.0001
Generic Name Pills	Total Scripts Divided by 30	September 2011	<0.0001	7797	Total Scripts Divided by 30	5.36507	0.180726	29.6862	<0.0001
Generic Name Pills	Total Scripts Divided by 30	August 2011	<0.0001	7750	Total Scripts Divided by 30	5.79617	0.212877	27.2278	<0.0001
Generic Name Pills	Total Scripts Divided by 30	July 2011	<0.0001	7695	Total Scripts Divided by 30	5.94549	0.245605	24.2075	<0.0001
Generic Name Pills	Total Scripts Divided by 30	June 2011	<0.0001	7659	Total Scripts Divided by 30	5.72484	0.225643	25.3713	<0.0001
Generic Name Pills	Total Scripts Divided by 30	May 2011	<0.0001	7602	Total Scripts Divided by 30	5.55909	0.240787	23.0872	<0.0001

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